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C O N F I D E N T I A L SECTION 01 OF 02 CARACAS 000407

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E.O. 12958: DECL: 03/27/2019
TAGS: [ECON](#) [PGOV](#) [PREL](#) [ETRD](#) [EINV](#) [EAIR](#) [VE](#)
SUBJECT: VENEZUELAN AVIATION UPDATE: NATIONALIZATIONS,
VIOLATIONS AND NEW US FLIGHT REQUESTS

REF: A. SMITH EMAIL TO CUE ET. AL DATED FEB. 19 (NOTAL)
[1](#)B. CARACAS 269
[1](#)C. 2008 CARACAS 1702
[1](#)D. CARACAS 307
[1](#)E. CARACAS 330

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Classified By: Economic Counselor Darnall Steuart for reasons 1.4
(b) and (d).

[1](#)1. (C) SUMMARY: In a possible violation of the Chicago Convention on International Civil Aviation, the Government of the Bolivarian Republic of Venezuelan (GBRV) has grounded all foreign-registered private aircraft, 95 percent of which are US-registered. The GBRV informed the Embassy via diplomatic note in February that it has authorized a Venezuelan carrier to begin new air service to the United States. On March 25 President Chavez declared privately owned airline, Aeropostal, "social property" in a "measure to combat drug trafficking." An industry source reports that the government may form a Ministry of Aviation to replace the Venezuelan civil aviation authority (INAC). END SUMMARY.

CHICAGO CONVENTION VIOLATION?

[1](#)2. (C) President of domestic aviation association CEVETA William Bracho (protect throughout) told Econoff on March 13, that in violation of Article Nine of the Chicago Convention on International Civil Aviation, INAC had banned all foreign-registered private planes from landing in Venezuela. Bracho noted that 95 percent of the 250 planes affected by this ban are "November" or US-registered aircraft. He said INAC voided the foreign aircraft flight permits for entry into, and flight within, Venezuelan airspace as of March 13 and would only consider authorizing exceptions to the ban for planes seeking to land at the country's largest airport, Simon Bolivar International near Caracas.

[1](#)3. (C) INAC will never publish this "restrictive and discretionary policy", he said, as it is aware the policy violates international treaty obligations. Bracho added that most aircraft owners cannot register their planes in Venezuela due to restrictions in their financing contracts. Lenders will not allow Venezuelan registration due to the country's "judicial uncertainty."

INAC AUTHORIZES NEW AIR SERVICE TO THE US

14. (C) Post received a GBRV diplomatic note February 17 which stated that the Ministry of Foreign Affairs "would like to inform the US Embassy that INAC has designated Rutas Aereas de Venezuela, RAV, S.A. to operate regular passenger, cargo and mail service from Venezuela to the United States in conformance with the 1953 treaty in effect between the US and Venezuela." Post emailed the text to Washington requesting guidance (Ref A) but has not otherwise responded given the Venezuelan government's rejection of recent USG overtures on aviation (Ref B).

AEROPOSTAL DECLARED "SOCIAL PROPERTY"

15. (C) President Chavez announced on March 25 that "Right now we are taking the ports and the airports... and now Aeropostal, we are going to give the airline new life as social property, a new airline like (government-owned) Conviasa." Chavez explained he had decided to seize privately owned airline Aeropostal in order to combat drug trafficking. (NOTE: Two members of the Makled family, owners of Aeropostal, have been awaiting trial for drug trafficking charges since November 2008. The government seized Aeropostal and other Makled assets "preemptively" in November pending a verdict. It now seems the seizure will be permanent regardless of the verdict. Former Aeropostal President Dr. Mustafa Flores told Econoffs on December 12 that the drug charges were politically motivated. While Makled family drug trafficking connections have been openly

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discussed for years, the timing of the arrest raised questions about the government's motives. Abdla Makled was running for mayor of Valencia against Chavez's chosen candidate at the time of his arrest (Ref C). The Caracas DEA Office considers the Makled family to be one of Venezuela's largest drug trafficking organizations. END NOTE.)

DEVELOPMENTS WITHIN INAC

16. (C) The President of Venezuelan carrier Santa Barbara Airlines (SBA) Jorge Alvarez told Econoffs February 25 that former INAC President, General Giuseppe Angelo Yoffreda Yorio, believes the government will do away with INAC and replace it with a Ministry of Aviation. According to Alvarez, Yoffreda believes if this were to happen, Yoffreda would be named minister. Alvarez noted that the government's 2008 decision to remove INAC from the Ministry of Infrastructure (now called the Ministry of Public Works and Housing) and place it under the direct authority of Vice President Carizalez has paralyzed the agency as the Vice President has no time to run INAC. He believes forming a new ministry would ease decision-making in the sector.

17. (C) CEVETA President Willimam Bracho confirmed on February 20 that INAC had replaced its Air Services Director Carmen Lanza with Major Anibal Davila. Bracho told Econ staff that Davila is active duty air force and "extremely radical". Bracho believes that Davila's close adherence to "Chavez's ideology" in addition to his military background will make it even more difficult for CEVETA to work with INAC. CEVETA, he said, is having increasing trouble with the "civil-military" paradigm inherent in INAC's appointment of growing numbers of military officers to traditionally civilian positions.

COMMENT

18. (C) Chavez's March 25 statement indicates he plans to keep Aeropostal regardless of the outcome of the Makled's criminal trial. The Venezuelan government will now own two airlines, Conviasa and Aeropostal, which, in the words of former Aeropostal President Flores "is akin to putting two ICU patients in the same room." Chavez's decision to take the airline is consistent with recent nationalizations in other sectors of the economy (Ref D), as well as with his centralization of authority over all of the country's airports and ports (Ref E). With Washington concurrence, Post remains willing to attempt to engage with INAC on the Venezuelan airline's request to begin air service to the United States. Previous meeting requests, however, have gone unanswered.

CAULFIELD